



FACT SHEET

U.S. Customs and Border Protection

MOST-FAVORED-NATION

Overview

This provision covers the requirements for the application of Most-Favored Nation (MFN) rates on certain goods under USMCA. Rules of origin in USMCA and its predecessor, the North American Free Trade Agreement (NAFTA), help ensure that the benefits of the agreements are granted only to goods produced by the United States (U.S.), Mexico (MX), and Canada (CA), rather than to goods made wholly or in large part in other countries. If a good imported from CA or MX does not meet USMCA rules-of-origin requirements but is listed in this provision, it will receive MFN treatment.

References

- **USMCA**
 - *Final Text: Chapter 2, Article 2.10*
- **NAFTA**
 - *Final Text: Chapter 3, Section B – Tariffs, Article 308; Annex 308.1-3*

Significant Changes in USMCA

Provision	USMCA	NAFTA
Duty-Free Conditions	<ul style="list-style-type: none">• No change in overall guidance – Select goods from MX, CA, or U.S. will receive most-favored-nation duty-free treatment when imported into MX, CA, or U.S.	
Applicable Goods	<ul style="list-style-type: none">• No change in general categories of goods – Applies to certain automatic data processing goods and their parts, color television tubes, and any local area network apparatus.	

Detailed USMCA/NAFTA Side-by-Side

Provision	USMCA	NAFTA
Duty-Free Conditions	<ul style="list-style-type: none">• Each Party shall accord most-favored-nation duty-free treatment to a good provided for under the tariff provisions set out in Tables 2.10.1, 2.10.2, and 2.10.3.• Notwithstanding Chapter 4 (Rules of Origin), each Party shall consider a good set out in Table 2.10.1, if imported into its territory from the territory of another Party, to be an originating good.	<ul style="list-style-type: none">• Annex 308.1 applies to certain automatic data processing goods and their parts.• Annex 308.2 applies to certain color television tubes.• Each Party shall accord most-favored-nation duty-free treatment to any local area network apparatus imported into its territory, and shall consult in accordance with Annex 308.3.

Provision	USMCA		NAFTA		
Applicable Goods			Annex 308.1, Certain Automatic Data Processing Goods and Their Parts		
Table 2.10.1					
A. Automatic Data Processing Machines (ADP)					
	8471.30				
	8471.41				
	8471.49				
B. Digital Processing Units					
	8471.50				
C. Input or Output Units					
Combined Input/Output Units					
CA	8471.60.00				
MX	8471.60.02				
US	8471.60.10				
Display Units					
CA	8528.42.00				
	8528.52.00				
	8528.62.00				
MX	8528.41.99				
	8528.51.01				
	8528.51.99				
	8528.61.01				
U.S.	8528.42.00				
	8528.52.00				
	8528.62.00				
Other Input or Output Units					
CA	8471.60.00				
MX	8471.60.03				
	8471.60.99				
U.S.	8471.60.20				
	8471.60.70				
	8471.60.80				
	8471.60.90				
D. Storage Units					
	8471.70				
E. Other Units of Automatic Data Processing Machines					
	8471.80				
F. Parts of Computers					
	8443.99	Parts of machines of subheading 8443.31 and 8443.32, excluding facsimile machines and teleprinters			

Provision	USMCA			NAFTA
		8473.30	Parts of ADP machines and units thereof	<ul style="list-style-type: none"> If any other Party objects in writing to such reduction, other than a reduction in the Uruguay Round of Multilateral Trade Negotiations, and the Party proceeds with the reduction, any objecting Party may raise its applicable rate of duty on originating goods provided for in the corresponding tariff item set out in its Schedule to Annex 302.2, up to the applicable rate of duty as if such good had been placed in staging category C for purpose of tariff elimination.
		8443.99	Parts of LAN equipment of subheading 8517.62	
CA	8529.90.19	Parts of monitors and projectors of subheading 8528.42,		
	8529.90.50	8528.52, and 8528.62		
CA	8529.90.90			
MX	8529.90.01	Parts of monitors or projectors of subheadings 8528.41,		
	8529.90.06	8528.51, and 8528.61		
U.S.	8529.90.22	Parts of monitors and projectors of subheading 8528.42,		
	8529.90.75	8528.52, and 8528.62		
	8529.90.99			
G. Computer Power Supplies				
CA	8504.40.30			<ul style="list-style-type: none"> To facilitate the operation of Article 308(3), the Parties shall consult regarding the tariff classification of local area network apparatus and shall endeavor to agree, no later than January 1, 1994, on the classification of such goods in each Party's tariff schedule.
	8504.40.90			
	8504.90.10			
	8504.90.20			
	8504.90.90			
MX	8504.40.12	Parts of goods classified in tariff item		
	8504.40.14	8504.40.12		
	8504.90.02			
	8504.90.07			
	8504.90.08			
U.S.	8504.40.60			
	8504.40.70			
	8504.90.20			
	8504.90.41			
Table 2.10.2				
A. Metal Oxide Varistors				
CA	8533.40.00			
MX	8533.40.05			
U.S.	8533.40.40			
B. Diodes, Transistors and Similar Semiconductor Devices; Photosensitive Semiconductor Devices; Light Emitting Diodes; Mounted Piezo-electric Crystals				
	8541.10			
	8541.21			
	8541.29			
	8541.30			
	8541.50			
	8541.60			
	8541.90			
CA	8541.40			
MX	8541.40.01			
	8541.40.02			

Provision	USMCA		NAFTA
		8541.40.03	
U.S.	8541.40.20		
	8541.40.60		
	8541.40.70		
	C. Electronic Integrated Circuits and Microassemblies		
		8542	
CA	8548.90.00		
MX	8548.90.04		
U.S.	8548.90.01		
Table 2.10.3			
Local Area Network (LAN) Apparatus			
CA	8517.62.00		
MX	8517.62.01		
U.S.	8517.62.00		